



## DIRECTOR DUTY OF CARE AND CONFLICT OF INTEREST POLICY AND STATEMENT OF DISCLOSURE

WHEREAS, the Board of Directors of the University of Illinois Community Credit Union ("Credit Union") considers fiscal responsibility to be a priority of fundamental importance and has always attempted to follow the highest principles of business ethics;

WHEREAS, the Board of Directors of the Credit Union desires to establish as a matter of policy a position description for the office of Board Director to provide guidance to all members of the Board as to the responsibilities they are obligated to fulfill;

WHEREAS, the Board of Directors of the Credit Union desires to avoid any situation where a possible conflict of interest could occur with respect to the duty of loyalty and accompanying legal obligations of the directors and voting officers of the Credit Union, and to provide an understanding of what must be avoided or disclosed for the guidance of all concerned.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Credit Union hereby formally establishes and promulgates as policy of the Credit Union that the directors of the Credit Union shall strive to discharge all of the responsibilities set forth in the position description for Credit Union Director attached hereto and made a part hereof; and further that each director shall strive to become familiar with and adhere to the Bylaws of the Credit Union and Policy Manual of the Board of Directors and hold all proprietary business information and data in confidence.

BE IT FURTHER RESOLVED, that the Board of Directors of the Credit Union hereby formally establishes and promulgates as policy of the Credit Union that no director or voting officer of the Credit Union shall have any affiliation or material interest in any business that is in conflict with, or might reasonably be likely to conflict with, the performance of duties and responsibilities by that director or voting officer on behalf of the Credit Union, or that would influence or affect the judgment of the director or voting officer with respect to any transaction of the Credit Union; unless the director or voting officer shall provide full and complete disclosure in the manner hereinafter required.

BE IT FURTHER RESOLVED, that serving as a director or voting officer of the Credit Union or any affiliated companies of the Credit Union ("Affiliate"), does not constitute a per se conflict of interest for a Credit Union director.

BE IT FURTHER RESOLVED, it is not the intent of this conflict of interest policy to require directors, voting officers, committee members, management officials, employees or agents of the Credit Union to refrain from deliberation on issues solely because of their affiliation or material interest in the Affiliates, credit unions or other credit union organizations; but rather it is the intent of this policy to proscribe such participation only where it represents a true conflict of interest in a meaningful sense (the issue materially affects the financial interests of the Affiliate, Credit Union or other entity and participation

would unfairly benefit such entity or the reasonableness of the financial aspects of the issue cannot be corroborated by independent data).

BE IT FURTHER RESOLVED that each director and each voting officer is disqualified from voting on any matter(s) in which any such person has or may have a true conflict of interest in a meaningful sense.

BE IT FURTHER RESOLVED, that the Chairperson of the Nominating and Governance Committee of the Credit Union, with the assistance of general counsel, is charged with the responsibility of overseeing this conflict of interest policy; such oversight to include the drafting of appropriate forms and correspondence, the rendering of opinions concerning applicability of this conflict of interest policy and the carrying out of other related tasks as assigned by the President.

BE IT FURTHER RESOLVED, that each director and voting officer of the Credit Union shall be provided with a copy of this Resolution and shall be requested to furnish a statement of disclosure to the Chairperson of the Board, acknowledging receipt of a copy of this Resolution and certifying his or her agreement and continuing adherence to the following terms and conditions:

- a. that ineligibility for blanket bond coverage, default on financial obligations to a credit union, criminal conviction involving dishonesty or breach of trust, or failure to adhere to board-approved policies shall constitute an event of disqualification for which the director or voting officer shall immediately resign from office;
- b. that the director or voting officer has not been a Credit Union employee for a period of at least three (3) years prior to the commencement of his or her term of office and, if so, such service as a Credit Union employee shall constitute an event of disqualification for which the director or voting officer shall immediately resign from office;
- c. that the director or voting officer shall be ineligible for the position of President/CEO of the Credit Union for a period of two (2) years following expiration of his or her term of office;
- d. to make full and complete disclosure of any meaningful conflict of interest that the director or voting officer has or may have within the intent expressed by the foregoing Resolution; and
- e. that the director does not currently or will not during their service to the Credit Union Board of Directors serve as a director of another financial institution. This would not preclude service as an advisory board member or subcommittee member with another financial institution provided the director's primary responsibility is to the Credit Union, and such director shall hold and keep all Credit Union proprietary business information and data in confidence.

The foregoing resolution and policies, on motion duly made by \_\_\_\_\_, and second by \_\_\_\_\_, was approved this 25<sup>th</sup> day of July, 2017, by majority vote of the UICCU Board of Directors.

\_\_\_\_\_  
Joe Vitosky, Board Secretary

Approved by the Board of Directors July 25, 2017

## POSITION DESCRIPTION

**POSITION TITLE:** University of Illinois Community Credit Union Director

**BASIC FUNCTION:** To maintain the general direction, control and organizational oversight of the business and affairs of the Credit Union by establishing objectives, formulating policies and approving goals and programs.

### POSITION RESPONSIBILITIES:

- Discharge fiduciary duty of care in good faith and with that degree of diligence, care and skill which ordinarily prudent persons would exercise under similar circumstances in a like position, and avoid a breach of such duty by keeping informed about the activities, affairs and policies of the Credit Union on a continuing basis and exercising best judgment when acting on Credit Union business after participating in deliberations on the issues.
- Discharge duty of loyalty by avoiding actions beyond scope of authority or power, participation in ventures which compete with the Credit Union, and business opportunities related to the activities of the Credit Union which would permit the Director, or the Director's relatives, friends or business associates, to personally profit from his or her position as Director, unless the transaction is approved by the members or the Directors as fair to the Credit Union after full disclosure.
- Attend meetings of the Board of Directors, meetings of any special or standing committee on which the Director participates as a member and fulfill assignments delegated to him or her.
- Cooperate with Chapter officers to facilitate the development of and service to the Chapters of the Credit Union.
- Develop long and short range objectives and policies for the promotion of interest and cooperation between credit unions, the organization of new and development and progress of existing credit unions in the State of Illinois, and the maintenance and expansion of business functions and financial support of the Credit Union.
- Elect the Chairperson, Vice-Chairperson, Secretary, Treasurer, and President, review the performance and determine the compensation of the President, monitor the finance policies and practices of the Credit Union, including without limitation accounting, investment, budgeting and insurance, and perform all duties as prescribed in the Bylaws of the Credit Union, as amended from time to time.

STATEMENT OF QUALIFICATION AND  
CONFLICT OF INTEREST DISCLOSURE  
FOR DIRECTORS AND VOTING OFFICERS OF THE CREDIT UNION

The attached Duty of Care and Conflict of Interest Resolution was adopted by the Board of Directors of the University of Illinois Community Credit Union ("Credit Union"). In accordance with that Resolution, the following Statement of Disclosure is required each year of all directors and voting officers of the Credit Union. Directors and voting officers of the Credit Union are asked to complete this Statement and return it to the address noted below.

1. Please note each credit union or its affiliate of which you are currently a director and/or voting officer (hereinafter "Affiliates"):

a. \_\_\_\_\_ Credit Union

b. \_\_\_\_\_ [list any affiliates]

2. Please identify other Credit Union Organizations of which you are currently a director, officer and/or member:

a. \_\_\_\_\_ National Organization (Please list)

\_\_\_\_\_  
\_\_\_\_\_

b. \_\_\_\_\_ Credit Union (Please list)

\_\_\_\_\_  
\_\_\_\_\_

c. \_\_\_\_\_ Other Credit Union Organization (Please list)

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\_\_\_\_\_

3. Please carefully read the following statement and the "Conflict of Interest Considerations" on the following pages, and complete the certification below:

I HEREBY ACKNOWLEDGE that I have received a copy of a Resolution adopted by the Board of Directors of the Credit Union entitled 'Director Duty of Care and Conflict of Interest Resolution' and have carefully read and completed the 'Conflict of Interest Considerations' of this Statement. I agree to make a full and complete disclosure of any event that would disqualify me from serving as a director under the Resolution, as well as any meaningful conflict of interest that I have or may have in the future. I further agree that if I have any such conflict of interest in my capacity as a director or voting officer, I will not vote on any matter(s) related to the conflict of interest.

I CERTIFY, to the best of my knowledge and belief, that:

- a. \_\_\_\_ I am eligible for blanket bond coverage from an insurance company duly qualified to offer such coverage in Illinois;
- b. \_\_\_\_ I am not in default on any financial obligations to a financial institution;
- c. \_\_\_\_ I have not been convicted of an offense involving dishonesty or breach of trust;
- d. \_\_\_\_ I have adhered to all board approved policies;
- e. \_\_\_\_ I have not served as an employee of the Credit Union for a period of at least three (3) years prior to the commencement of my term of office as a director or voting officer of the Credit Union;
- f. \_\_\_\_ I will not seek the office of President/CEO of the Credit Union for a period of at least two (2) years following expiration of my term of office as a director or voting officer of the Credit Union;
- g. \_\_\_\_ I have no present conflict of interest within the intent of the Duty of Care and Conflict of Interest Resolution; or
- h. \_\_\_\_ I have the following conflict of interest and I will disqualify myself from voting on any issue related to that matter:

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I AGREE that if I become ineligible for bond coverage, default on a financial obligation to a financial institution, am convicted of a crime involving dishonesty or breach of trust, fail to adhere to all

Approved by the Board of Directors July 25, 2017

board approved policies, have served as a Credit Union employee within three (3) years of the commencement of my term of office as a director or voting officer of the Credit Union, or fail to promptly and fully disclose any information requested in this Statement, then any such occurrence shall constitute an event of disqualification for which I will immediately resign as a director and, if applicable, voting officer of the Credit Union. I further agree I will not serve as President/CEO of the Credit Union within two (2) years of the expiration of my term of office as a director or voting officer of the Credit Union. If elected to serve as President/CEO of the Credit Union during that period of time, I will immediately resign and refuse to accept that office.

PRINTED NAME \_\_\_\_\_

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

CONFLICT OF INTEREST CONSIDERATIONS

1. Serving as a director or voting officer of an Affiliate or other credit union organization does not, for purposes of this disclosure, constitute a conflict of interest. Likewise, affiliation with, or material interest in, an Affiliate or other credit union organization does not, for purposes of this disclosure, constitute a conflict of interest, unless an issue or transaction involving the Credit Union materially affects the financial interests of the Affiliate or other credit union organization and would unfairly benefit that entity or the reasonableness of the financial aspects of the transaction cannot be corroborated by independent data.
  
2. Have you, while serving as director or voting officer of the Credit Union:
  - a. \_\_\_\_\_ directly or indirectly received any commission, other compensation or financial incentive, or a promise of same, in relation to business transactions of the Affiliates or other credit union organization; other than your normal reimbursement, salary or compensation?
  
  - b. \_\_\_\_\_ held any other position with a corporation or other entity that might conflict with the interests of the Credit Union or impair your independence of judgment in the exercise of your duties on behalf of the Credit Union?
  
  - c. \_\_\_\_\_ disclosed, disseminated or utilized any financial data or confidential information of the Credit Union or an Affiliate, to further your own personal interests or the interests of a Credit Union Organization identified in this Statement, to the disadvantage of the Credit Union or the Affiliates?
  
  - d. \_\_\_\_\_ received any gift or entertainment of substantial value or any personal favor from any person who has or is likely to have any business dealings with the Credit Union or the Affiliates (this is not intended to apply to the ordinary courtesies of business life, such as token gifts valued at less than \$500 or modest entertainment incidental to a business relationship)?
  
  - e. \_\_\_\_\_ held or made any personal investment or entered into a particular transaction that directly or indirectly conflicts with the interests of the Credit Union or impairs your independence of judgment in the exercise of your duties on behalf of the Credit Union?
  
3. If the answer to any part of Question 2 above is "yes", please disclose the compensation, affiliation, disclosure, gift, investment or transaction as a conflict:

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